

Suspension of update of results for questions INDU-Q10, INDU-Q12, INDU-Q14, SERV-Q4, BUIL-Q6, CONS-Q10 and CONS-Q13 from July 2024

In the quest for continuous improvement of the harmonised EU programme of Business and Consumer Surveys (BCS) and to reduce the response burden of managers and consumers, DG ECFIN, together with its national partners, carried out a conceptual and analytical screening of all questions in the current BCS questionnaires and decided to cease the release of some answers to questions that could be redundant or of limited added value for the user.

As a result, starting in July 2024, the update of the related time series of specific questions listed below is suspended. Those questions do not impact the computation of the confidence indicators or the ESI.

	Comments
<p>INDU-Q10 (quarterly): <i>Months of production assured by current overall order books</i></p>	<ul style="list-style-type: none"> ▪ difficult to answer ▪ results hard to interpret (reflecting supply and demand side drivers) ▪ time-series have un-intuitive upward-trend since late 1990s (in several countries + EU/EA) ▪ de-trended time-series have no significant peak in 2021/22, when labour and material shortages reached record-highs ▪ results show rather high quarter-to-quarter volatility ▪ Information content of Q10 can largely be approximated by other questions: Q11 (past orders development), Q13 (current capacity utilisation), Q8m (lack of material/equipment), Q8l (lack of labour)
<p>INDU-Q12 (quarterly): <i>expected development of export orders over next 3 months</i></p>	<ul style="list-style-type: none"> ▪ presence of four questions on orders (2 monthly, one of which on export order books, + 2 quarterly) in industry survey calls for simplification ▪ While the variable leads the qualitative order assessment questions (INDU-Q2/INDU-Q3), so does the highly correlated INDU-Q11 (<i>development of orders over past 3 months</i>). INDU-Q11 is to be preferred over INDU-Q12, as it covers orders in general and is a widely used leading indicator.
<p>INDU-Q14 (quarterly): <i>development of competitive position on domestic market over past 3 months</i></p>	<ul style="list-style-type: none"> ▪ High overlap and correlation between the three competitiveness questions (Q14, 15, 16) in the industry survey calls for simplification ▪ Of all three competitiveness questions, INDU-Q14 is the least relevant, as European integration diminishes extent to which a firm's competitive position can differ on the domestic vs. EU market.
<p>SERV-Q4 (monthly): <i>change in employment over past 3 months</i></p>	<ul style="list-style-type: none"> ▪ redundant in the presence of timely hard data on labour market developments

	<ul style="list-style-type: none"> question has no equivalent in the other sectoral business surveys
BUIL-Q6 (quarterly): <i>months' work accounted for by work in hand / contracted for</i>	<ul style="list-style-type: none"> difficult to answer results hard to interpret (reflecting supply and demand side factors)
CONS-Q10 (monthly): <i>good moment to save in view of the general economic situation</i>	<ul style="list-style-type: none"> presence of three questions on savings (Q10, Q11 and Q12, all monthly) in consumer survey calls for simplification results hard to interpret, as they reflect both precautionary motives and ability to save formulation in terms of ability vs. desirability to save not harmonised across countries
CONS-Q13 (quarterly): <i>likelihood of buying a car over next 12 months</i>	<ul style="list-style-type: none"> car purchases increasingly affected by structural – rather than cyclical – factors in the move towards the 'Green Transition' monthly hard data (ACEA) on new car registrations timely available rather weak correlation of CONS-Q13 with those data

Next steps

As of July 2024:

- Partner institutes are requested to continue transmitting monthly/quarterly results for the potentially redundant questions to the Commission.
- Commission does not release any new results for the potentially redundant questions listed above

End of 2024:

- Commission takes stock of the extent to which stopping the release of results for the questions has led to complaints by users.
- Based on the analysis, the Commission takes a final decision which of the potentially redundant questions defined above will be discarded from the harmonised BCS questionnaire.

The BCS Team



European Commission

DG Economic and Financial Affairs

Economic situation, forecasts, business and consumer surveys (ECFIN-A3)

Sector - 'Business and consumer surveys and short term forecast'